THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020	2019
		----------Rupees----------	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	5	**718,177,770**	718,177,770
Reserves	6	**631,216,486**	309,880,645
Revaluation surplus on property, plant and equipment - net	7	**538,072,068**	593,055,398
Total shareholder's equity		**1,887,466,324**	1,621,113,813
NON-CURRENT LIABILITIES			
Long term borrowings - secured	8	**-**	4,136,029
Deferred taxation - net	9	**-**	10,998,401
Total non-current liabilities		**-**	15,134,430
CURRENT LIABILITIES			
Current maturity of long term borrowings - secured	8	**12,408,089**	47,388,916
Trade and other payables	10	**145,363,103**	138,688,764
Accrued mark-up	11	**25,454,521**	21,855,385
Short term loan from related party - unsecured	12	**145,606,873**	158,963,239
Short term borrowings - secured	13	**513,488,211**	560,000,000
Taxation - net		**657,890**	5,415,297
Total current liabilities		**842,978,687**	932,311,601
TOTAL EQUITY AND LIABILITIES		**2,730,445,011**	2,568,559,844
CONTINGENCIES AND COMMITMENTS	14		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	**1,419,997,608**	1,245,400,693
Intangible assets	16	**450,000**	-
Total non-current assets		**1,420,447,608**	1,245,400,693
CURRENT ASSETS			
Stock-in-trade	17	**238,939,232**	201,047,228
Trade debts - unsecured	18	**701,862,880**	823,862,397
Loans, advances and other receivables	19	**361,739,269**	293,076,254
Cash and bank balances	20	**7,456,022**	5,173,272
Total current assets		**1,309,997,403**	1,323,159,151
TOTAL ASSETS		**2,730,445,011**	2,568,559,844

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----------Rupees----------	
Sales - net	21	**3,384,108,701**	2,577,518,290
Cost of sales	22	**(2,754,170,170)**	(2,169,855,773)
Gross profit		**629,938,531**	407,662,517
Administrative expenses	23	**(67,196,915)**	(53,550,761)
Selling expenses	24	**(120,473,462)**	(136,167,023)
Allowance for doubtful debt	18.7	**(69,744,228)**	(84,563,107)
		(257,414,605)	(274,280,891)
Operating profit		**372,523,926**	133,381,626
Finance costs	25	**(90,079,782)**	(71,072,279)
Other income - net	26	**18,063,134**	225,031,691
Other charges	27	**(17,029,983)**	(21,913,949)
		(89,046,631)	132,045,463
Profit before taxation		**283,477,295**	265,427,089
Taxation	28	**(17,124,784)**	(47,456,933)
Profit for the year		**266,352,511**	217,970,156
Earnings per share - basic and diluted	29	**3.71**	4.46

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----------Rupees----------	
Profit for the year	**266,352,511**	217,970,156
Other comprehensive income:		
Items that will not be reclassified to statement of profit or loss in subsequent periods	-	-
Total comprehensive income for the year	**266,352,511**	217,970,156

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the year		**283,477,295**	265,427,089
Adjustment for non cash items:			
Depreciation on property, plant and equipment	15.1	**113,652,433**	122,884,349
Amortization of intangible asset	16	**50,000**	-
Provision against trade debtors	18.7	**69,744,228**	84,563,107
Balances written-off	26	**-**	56,564,614
Unrealised exchange gain on trade debtors	26.1	**(19,048,848)**	(67,995,143)
Finance costs	25.1	**90,079,782**	71,072,279
Loss on disposal of property, plant and equipment	26	**513,903**	-
Provision for Worker's Profit Participation Fund	27	**9,480,973**	13,989,122
Provision for Worker's Welfare Fund	27	**2,645,960**	366,230
		550,595,726	546,871,647
Working capital changes			
Increase in stock-in-trade		**(37,892,004)**	(70,357,671)
Decrease in trade debts		**71,304,137**	8,942,631
Increase in loans, advances and other receivables		**(68,663,015)**	(244,331,487)
Decrease in trade and other payables		**(5,452,594)**	(112,818,164)
		(40,703,476)	(418,564,691)
Cash generated from operating activities		**509,892,250**	128,306,956
Income taxes paid		**(32,880,592)**	(35,439,166)
Finance costs paid		**(86,480,646)**	(65,129,106)
Net cash generated from operating activities		**390,531,012**	27,738,684
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of operating fixed assets		**(70,711,220)**	(65,005,043)
Addition to capital work in process		**(219,311,289)**	(46,274,437)
Sale proceeds form disposal of property, plant and equipment		**759,258**	-
Net cash used in investing activities		**(289,263,251)**	(111,279,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan from financial institutions - net		**(39,116,856)**	(48,075,317)
Short term loan (repaid)/obtained - due to related parties		**(13,356,366)**	145,941,569
Repayment of advance against issue of shares		**-**	(24,834,014)
Net cash (used in) / generated from financing activities		**(52,473,222)**	73,032,238
Net increase/(decrease) in cash and cash equivalent		**48,794,539**	(10,508,558)
Cash and cash equivalent at beginning of the year		**(554,826,728)**	(544,318,170)
Cash and cash equivalent at end of the year	30	**(506,032,189)**	(554,826,728)

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Share capital	Reserves		Revaluation surplus	Total shareholders' equity
		Capital	Revenue		
		Share premium	Unappropriated profit		
	Rupees				
Balance as at July 01, 2018	100,000,000	-	528,221,832	636,275,327	1,264,497,159
Transaction with owners					
Right issue	118,177,770	922,216	-	-	119,099,986
Bonus issue	500,000,000	-	(500,000,000)	-	-
	618,177,770	922,216	(500,000,000)	-	119,099,986
Total comprehensive income for the year					
Profit for the year	-	-	217,970,156	-	217,970,156
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	62,766,441	(43,219,929)	19,546,512
Balance as at July 30, 2019	**718,177,770**	**922,216**	**308,958,429**	**593,055,398**	**1,621,113,813**
Total comprehensive income for the year					
Profit for the year	**-**	**-**	**266,352,511**	**-**	**266,352,511**
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	**-**	**-**	**54,983,330**	**(54,983,330)**	**-**
Balance as at June 30, 2020	**718,177,770**	**922,216**	**630,294,270**	**538,072,068**	**1,887,466,324**

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

1 LEGAL STATUS AND NATURE OF THE BUSINESS

1.1 The Organic Meat Company Limited (the "Company") is a public company limited by shares incorporatedin Pakistan on July 14, 2010 under the repealed Companies Ordinance 1984 (now Companies Act, 2017). The registered office of the Company is situated at Survey No. 310, Deh Shah Mureed, Gadap, Karachi, Pakistan.

The Company's principal business is processing and sale of meat and allied products.

2 BASIS OF PREPERATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date (Annual periods beginning
IFRS 14 'Regulatory Deferral accounts'	July 1, 2019
IFRS 16 'Leases'	January 1, 2019
IAS 12 'Income tax consequences of payments on financial instruments classified as equity'	January 1, 2019
IAS 23 Borrowing costs eligible for capitalization	January 1, 2019
IFRS 3 Previously held interest in a joint operation	January 1, 2019
IFRS 9 Prepayment features with negative compensation	January 1, 2019
IFRS 11 Previously held interest in a joint operation	January 1, 2019
IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28)	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019

Adoption of the above standard have no effect on the financial statements for the year ended June 30, 2020.

2.2.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 7, IFRS 9, and IAS 39 - Interest Rate Benchmark Reform	January 1, 2020
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.2.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

New standards have been issued by the International Accounting Standards Board (IASB) but not yet notified by the SECP for the purpose of applicability in Pakistan and are found not relevant to the entity.

Standard or Interpretation	IASB Effective Date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2022
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

2.2.4 IFRIC-23 "Uncertainty over income tax treatments"

The Company has adopted IFRIC-23 - Uncertainty over income tax treatments which clarifies how the recognition and measurement requirements of IAS-12 - Income taxes are applied when there is uncertainty over income tax treatment. IFRIC-23 explains how the recognition and measurement of deferred and current income tax assets and liabilities when there is uncertainty over tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over income tax that will be accepted by tax authorities. IFRIC-23 applies to all aspect of income tax accounting, when there is a uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. While there are new disclosure requirements, entities are reminded of the general requirements to provide information about judgement and estimates made in preparing the financial statements.

The Company is already in compliance with the requirements of IFRIC-23.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for cash flow information.

3.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3.2 Critical accounting estimates and judgments

The preparation of financial statements is in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

In the process of applying the Company's accounting policies, management has made the following estimates and judgment which are significant to the financial statements:

		Notes
a)	Useful life of property and equipment	4.1
b)	Revaluation of property, plant and equipment	4.1
c)	Provision for taxation	4.8
d)	Provision against trade debts and other receivables	4.10
e)	Impairment of financial asset	4.4.4
f)	Impairment of non financial asset	4.14
g)	Provision	4.15

3.3 GENERAL

The figures have been rounded off to nearest Rupee.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, otherwise stated.

4.1 Property, plant and equipment

4.1.1 Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, building and plant and machinery which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Capital work-in-progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in progress. These are transferred to specific assets as and when assets are available for use.

4.1.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to statement of profit or loss account in the period of its occurrence.

4.1.3 Depreciation

Depreciation is charged to statement of profit or loss account by applying the reducing balance method on yearly basis at the rates specified in note 13.1. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired i.e. available for use, while no depreciation is charged in the month in which the item is disposed off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

4.1.4 Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit or loss account.

4.1.5 Revaluation of property, plant and equipment

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of operating fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders.

4.1.6 Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.1.7 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified accumulated impairment loss. It represents expenditure on fixed assets in the course of installation and advances for capital expenditure. These are made to the relevant category of tangible/intangible assets as and when the assets are available for intended use.

4.2 Intangible assets

Intangible assets which are stated at cost less accumulated amortization and any identified impairment loss mainly represents assets with finite useful life are amortized using the straight-line method over the estimated useful life of five years. Amortization of intangible assets is commenced from the date an asset is capitalized. Repairs and maintenance cost are expensed out and research and development cost are capitalized as per IAS-38.

4.3 Foreign currency translations

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing at the date of the transaction and monetary items are translated using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss account with other income/other operating expenses.

4.4 Financial instruments

The company recognise a financial instrument in its financial statement when, and only when the entity becomes party to contractual provisions of the instrument (para 3.1.1, IFRS-9).

4.4.1 Initial recognition of financial assets

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the profit and loss account.

4.4.2 Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. After initial recognition, an entity shall measure a financial asset at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in statement of profit or loss account.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risk and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or has expired.

4.4.3 Subsequent measurement of financial assets

The Company classifies its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a) Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met (and are not designated as FVTPL):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVOCI)

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective 'hold to collect and sell'; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in profit or loss.

4.4.4 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade debts, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affects the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between.

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage-1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage-2').;
- financial assets that have objective evidence of impairment at the reporting date ('Stage-3').

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.
Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.
The expected loss rates are based on the Company's historical experience of credit losses.

4.4.5 Expected credit loss (ECL) / Loss allowance against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.
The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.
The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis.

4.5 Financial liabilities

4.5.1 Initial recognition of financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure at financial liability, under fair value option.

4.5.2 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the profit and loss account.

4.6 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4.7 Employees benefits

4.7.1 Provident Fund

The Company contributes to an unapproved contributory provident fund scheme effective 01 June 2019, for all its permanent employees who have decided to opt-in for it. Equal monthly contributions, both by the Company and the employees are made to the fund, at the rate of 4% of the basic salary. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Company is recognized as an expense in the profit and loss account on accrual basis.

4.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The charge for current taxation is based on Final Tax Regime (FTR) in case of exports and other sales, at the applicable rate of taxation after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.9 Revenue recognition

The Company derives its revenue from sale of processed meat and the revenue is recognised when the control of product is transferred at the time when the products are shipped or when the goods are delivered to customers.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods
Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on shipment/delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable net of returns, taxes and trade discounts.

Rendering of services
Revenue of rendering of services include transportation services for third parties and slaughtering fee. Revenue is recognised after the service is complete.

Others

All other income is recognized on accrual basis other than duty drawback which is recorded on receipt basis.

4.10 Trade debts and other receivables

Receivables are recognized in these financial statements at the lower of amortized cost and net realisable value, which in all material respects corresponds to nominal value less provisions made for bad debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Furthermore, an allowance for lifetime credit losses for trade receivables is recognised on initial recognition. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation for recovery.

The cost of allowances for expected credit losses and write off for trade receivables are included in current year profit or loss account.
Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.
The Company makes use of a simplified approach in accounting for trade debts and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.
The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Refer to Note 19 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

4.11 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable values.
Cost is determined as follows:

- Raw materials are measured at weighted average purchase cost and directly attributable expenses incurred in bringing them to their existing location and condition.

- Work-in-process and finished goods are valued at weighted average cost of raw materials and other related conversion expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. In the case of processed stock and work in progress, cost includes a share of overheads based on normal operating capacity.

4.12 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.13 Borrowing costs

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

4.14 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

4.15 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting year.

4.16 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of Company's cash management.

4.18 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.19 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at moving average cost, while itemsconsidered obsolete are impaired. Items in transit are stated at cost comprising invoice value plus other charges paid thereon up to the reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores.

4.20 Leases

At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

4.20.1 Right of use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any.

The right of use assets is depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment.

4.20.2 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used it's incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

4.21 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognized in the financial statements in the period in which these are approved.

4.22 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

5 SHARE CAPITAL

			2020	2019
			----------Rupees----------	

5.1 Authorized share capital

2020	2019			
Number of shares				
135,000,000	135,000,000	Ordinary shares of Rs. 10 each	**1,350,000,000**	1,350,000,000

5.2 Issued, subscribed and paid up share capital

		Ordinary shares of Rs. 10 each		
21,817,777	21,817,777	- fully paid in cash	**218,177,770**	218,177,770
50,000,000	50,000,000	- issued as bonus shares	**500,000,000**	500,000,000
71,817,777	71,817,777		**718,177,770**	718,177,770

5.3 Ordinary shares of the Company held by related parties as at year end are as follows:

	Note	2020	2019
		----------Number----------	
Chief Executive Officer		**50,922,494**	33,674,999
Directors		**11,345,283**	2,412,778
Associated person		**3,000,000**	-
Others		**6,550,000**	35,730,000
		71,817,777	71,817,777

6 RESERVES

Capital reserve			
Share premium	6.1	**922,216**	922,216
Revenue reserve			
Unappropriated profit	6.2	**630,294,270**	308,958,429
		631,216,486	309,880,645

6.1 Movement in share premium

Balance at the beginning of the year		**922,216**	-
Originated from ordinary issue		**-**	5,822,216
Expenses against issuance of share capital		**-**	(4,900,000)
Balance at the end of the year	6.1.1	**922,216**	922,216

6.1.1 The reserve can only be utilized by the Company for the purpose specified in Section 81(2) of the Company's Act, 2017.

6.2 Movement in unappropriated profit

	2020	2019
	----------Rupees----------	
Balance at the beginning of the year	**308,958,429**	528,221,832
bonus issue	**-**	(500,000,000)
revaluation surplus	**54,983,330**	62,766,441
profit for the year	**266,352,511**	217,970,156
Balance at the end of the year	**630,294,270**	308,958,429

		Note	2020	2019
7	**REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET**		----------Rupees----------	
	Balance at the beginning of the year		**602,113,077**	666,154,085
	Less: transferred to unappropriated profit on account of incremental depreciation for the year- net		**(64,041,009)**	(64,041,009)
	Balance at the end of the year		**538,072,068**	602,113,077
	Related deferred tax liability			
	Balance at the beginning of the year		**(9,057,679)**	(29,878,758)
	Reversal of deferred tax liability	9.1	**9,057,679**	19,526,006
	Incremental depreciation for the year		**-**	1,274,568
	Effect of change in tax rates		**-**	20,505
	Balance at the end of the year		**-**	(9,057,679)
			538,072,068	593,055,398
8	**LONG TERM BORROWINGS - SECURED**			
	Habib Bank Limited	8.1	**12,408,089**	24,816,207
	Bank Al Baraka Pakistan Limited	8.2	**-**	2,208,738
	Dubai Islamic Bank Limited	8.3	**-**	24,500,000
			12,408,089	51,524,945
	Less: current maturity long term borrowings - secured	8.4	**(12,408,089)**	(47,388,916)
			-	4,136,029

8.1 The Company had obtained demand finance facility amounting to Rs. 45.496 million (2019: Rs. 45.496 million) to finance blast freezers, freezers and chillers installed at plant located Deh Shah Mureed, Gadap Town, Karachi. It carries mark-up at 3 months KIBOR + 2.25% per annum (to be serviced on quarterly basis for the tenure of the loan and mark-up rate to be reset at the beginning of each quarter). The facility is secured by way of first pari passu charge of Rs.156 million registered with SECP over existing and future stocks and receivables with 25% margin, lien on export documents and export proceeds with 10% margin, Joint Pari Passu Hypothecation charge over plant and machinery to the extent of Rs. 143 million, Joint Pari Passu charge over land and building to the extent of Rs. 57 million and personal guarantees of all the directors.

8.2 The Company had obtained Diminishing Musharakah-II Facility amounting to Rs. 20 million to purchase new plant and machinery from local vendor/supplier for slaughter house for the period of 3 years, rentals are payable in 12 quarterly installments. The facility is secured by way of first registered Pari Passu Charge over present and future plant and machinery for Rs. 71.5 million including margin, and an equitable mortgage charge on land and building for Rs. 28.5 million. These are further secured by way of personal guarantees given by all of the directors of the Company.

8.3 The Company had obtained Shirkat ul Melk cum Ijarah Facility amounting to Rs. 52.5 million to finance imported equipment and machineries for the period of 3 years. Rentals are payable quarterly and shall comprise of fixed and variable rentals. Fixed rental is Rs. 1.75 million and 3.5 million payable quarterly at a rate of KIBOR + 2.25%. The facility is secured by way of first registered pari passu charge over present and future plant and machinery for Rs.133.59 million including margin, and an equitable mortgage charge on land and building for Rs.49.41 million. These are further secured by way of personal guarantees given by all of the directors of the Company.

		2020	2019
8.4	**Current maturity of long term borrowings - secured**	----------Rupees----------	
	Balance at the beginning of the year	**47,388,916**	57,973,840
	Transfer from long term borrowing	**4,136,029**	37,490,393
	Paid during the year	**(39,116,856)**	(48,075,317)
	Balance at the end of the year	**12,408,089**	47,388,916

		2020	2019
9	**DEFERRED TAXATION - NET**	----------Rupees----------	
	Deductible temporary differences		
	Provision against trade debts	-	(4,524,083)
	Worker's profit participation fund payable	-	(423,863)
	Worker's welfare fund payable	-	(27,920)
	Taxable temporary differences		
	Unrealized gain on trade debts	-	1,353,264
	Revaluation surplus on property, plant and equipment	-	14,621,003
		-	10,998,401

9.1 The Company has opted for Final Tax Regime (FTR) on other sales at the rate applicable to export sales, which has resulted in a reversal of deferred tax liability in the current year.

			2020	2019
10	**TRADE AND OTHER PAYABLES**	Note	----------Rupees----------	
	Accrued expenses and other liabilities	10.1	**70,455,337**	12,826,052
	Worker's profit participation fund payable		**30,778,100**	21,297,127
	Trade creditors		**28,884,417**	94,852,420
	Salaries, benefits and allowances payable		**9,543,291**	-
	Worker's welfare fund payable		**4,048,806**	1,402,846
	Audit fee payable		**1,439,600**	949,376
	Staff provident fund	10.2	**213,552**	106,776
	Advance from customer		**-**	7,254,167
			145,363,103	138,688,764

10.1 This includes payable to related party amounting to Rs 2,645,325 (2019: 6,779,358) on account of acquistion of meat processing equipment.

10.2 The Company has constituted an unapproved contributory provident fund scheme for the benefit of all its permanent employees, who have opted-in for the scheme. In accordance with the provisions laid down under section 218 of the Companies Act, 2017 and conditions specified thereunder, the Company has kept deposited the total contributions in a special account with a scheduled bank.

		2020	2019
11	**ACCRUED MARK-UP**	----------Rupees----------	
	On long term borrowing - secured		
	Habib Bank Limited.	**1,918,822**	1,157,479
	Dubai Islamic Bank Pakistan Limited	**-**	708,107
	Bank Al Baraka Pakistan Limited	**-**	70,871
	On short term borrowing - secured		
	Al Baraka Bank (Pakistan) Limited	**5,733,047**	4,511,307
	Faysal Bank Limited	**1,686,863**	377,645
	Soneri Bank Limited	**4,213,183**	4,234,430
	Dubai Islamic Bank Limited	**5,415,901**	3,756,010
	Bank Islami Limited	**3,650,911**	3,452,815
	Habib Bank Limited	**2,835,794**	3,586,721
		25,454,521	21,855,385

		Note	2020	2019
12	**SHORT TERM LOAN FROM RELATED PARTY - UNSECURED**		----------Rupees----------	
	Associated Company		**100,000,000**	100,000,000
	Directors		**45,606,873**	58,963,239
		12.1	**145,606,873**	158,963,239

12.1 This short term loan is obtained for meeting the working capital requirements of the Company. The loan is mark-up free and repayable on lender's demand.

12.2 Maximum aggregate amount outstanding with reference to month end balances:

	In the month of	In the month of	2020	2019
			----------Rupees----------	
Associated Company	**All 12 months**	Jun-19	**100,000,000**	100,000,000
Chief Executive Officer	**Sep-19**	Nov-18	**60,363,719**	82,493,649
Director	**Jul-19**	Jun-19	**318,509**	304,009

		Note	2020	2019
13	**SHORT TERM BORROWINGS - SECURED**		----------Rupees----------	
	Financial Institutions - secured	13.1	**513,488,211**	560,000,000

13.1 Financial institutions - secured

Habib Bank Limited	13.2	**125,000,000**	125,000,000
Faysal Bank Limited	13.3	**100,000,000**	100,000,000
Dubai Islamic Bank Limited	13.4	**84,988,000**	85,000,000
Al Baraka Bank (Pakistan) Limited	13.5	**100,000,000**	100,000,000
Soneri Bank Limited	13.6	**63,500,211**	100,000,000
Bank Islami Limited	13.7	**40,000,000**	50,000,000
		513,488,211	560,000,000

13.2 The Company has obtained running finance facility having a limit of Rs. 70 million (2019: Rs. 70 million) for working capital requirements. It carries interest at the rate of 3 months KIBOR + 2% per annum. The facility is secured by way of First Pari Passu charge of Rs.156 million registered with SECP over existing and future stocks and receivables with 25% margin, lien on export documents and proceeds with 10% margin, Joint Pari Passu Hypothecation charge over Plant and Machinery to the extent of Rs. 143 million. Joint Pari Passu charge over land and Building to the extent of Rs. 57 million and personal guarantees of all directors.

The Company has obtained Export Refinance facility having a limit of Rs. 55 million (2019: Rs. 55 million) to facilitate the customer for meeting their export requirements. It carries interest at SBP rate + 1% per annum. The facility is secured by way of First Pari Passu charge of Rs.156 million registered with SECP over existing and future stocks and receivables with 25% margin, lien on export documents and proceeds with 10% margin, Joint Pari Passu Hypothecation charge over Plant and Machinery to the extent of Rs. 143 million. Joint Pari Passu charge over land and building to the extent of Rs. 57 million and personal guarantees of all directors/major shareholders.

13.3 The Company has obtained Export Refinance facility having a limit of Rs. 100 million to meet pre-shipment working capital requirement backed by stand by letter of credit / contracts (existing buyers). It carries mark-up at SBP cost of funds + 1% per annum or 3 months KIBOR+2%. The facility is secured by way of joint pari passu charge over the Company's fixed assets (land and Building) to the extent of Rs. 28.5 million, First Pari Passu hypothecation charge over land and Building (its Plant and machinery) up to 71.5 million, First Pari Passu Hypothecation charge over current asset of the Company amounting to Rs. 125 million and by way of personal guarantees of all the directors of the Company having 10% or more shareholding.

13.4 The Company has obtained running finance facility having a limit of Rs. 85 million for working capital requirements (for purchase of raw material) under Murabahah Scheme. It carries interest at relevant 6 months KIBOR rate + 2% per annum. The facility is secured by way of First Pari Passu hypothecation charge over the Companies present and future stock and receivable to the extent of Rs. 94 million with 10% margin, Joint Pari Passu Charge over the Company's fixed assets to the extent of Rs. 150 million, which includes land and buildings and by way of personal guarantees of all the directors of the Company.

13.5 The Company had obtained Murabahah (local)/Istisna amounting to Rs. 100 million for the purchase and processing of meat, edible offal's, etc. It carries profit at relevant 6 months KIBOR + 3% per annum. Tenor for this facility is maximum 180 days. The facility is secured by way of joint pari passu charge over the Company's fixed assets , which includes land and buildings up to the extent of Rs. 28,500,000 plant and machinery up to the extent of Rs. 71,500,000, and on current assets to the extent of Rs. 125 million with margin of 20% and by way of personal guarantees of all directors of the Company.

13.6 The Company has obtained Salam under Islamic Export Refinancing Scheme (IERS) I facility having a limit of Rs. 100 million for advance payment against future delivery of the Company's products. Profit of the bank on the sale of the goods under the Salam facility to be calculated at 6 months KIBOR + 2% per annum. Tenor of transaction is maximum up to 180 days.

The facility is secured by way of lien on EE statement guarantee of agent First Joint Pari Passu charge over the Company's stocks-in-trade and trade debts amounting to Rs. 125 million and collateral security which includes Joint Pari Passu charge over land and building and plant and machinery to the extent of Rs. 28.5 million and Rs. 71.5 million respectively.

13.7 The Company has obtained Murabahah finance facility having a limit of Rs. 50 million for purchases of halal meat and it carries mark-up at a rate 6 months KIBOR + 3.5% per annum. The facility is secured by way of Joint Pari Passu Charge over present and future fixed assets/ current assets of the company amounting to Rs. 66.67 million.

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments as on June 30, 2020 (2019: Nil).

	Note	2020	2019
		----------Rupees----------	
15 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	**1,269,014,605**	1,199,126,256
Capital work-in-progress (CWIP)	15.2	**150,983,003**	46,274,437
		1,419,997,608	1,245,400,693

15.1 Operating fixed assets

	Factory Land - Leasehold*	Factory building on leasehold land*	Furniture and fixture	Office equipment	Plant and machinery*	Generators	Motor vehicles	Total
	---------- (Rupees) ----------							
As at June 30, 2020								
Cost								
Opening balance	**85,000,000**	**416,992,063**	**7,661,349**	**9,943,771**	**1,151,175,112**	**26,309,200**	**42,346,294**	**1,739,427,789**
Additions during the year	**66,000,000**	-	**-**	**2,211,220**	**-**	**1,300,000**	**1,200,000**	**70,711,220**
Transfers from CWIP	**-**	**4,524,550**	**-**	**-**	**109,578,173**	**-**	**-**	**114,102,723**
Disposal during the year	**-**	**-**	**-**	**-**	**-**	**-**	**(3,600,796)**	**(3,600,796)**
Closing balance	**151,000,000**	**421,516,613**	**7,661,349**	**12,154,991**	**1,260,753,285**	**27,609,200**	**39,945,498**	**1,920,640,936**
Accumulated depreciation								
Opening balance	**-**	**121,183,546**	**4,698,631**	**5,838,679**	**366,641,053**	**14,963,807**	**26,975,817**	**540,301,533**
Charge for the year	**-**	**29,634,814**	**444,408**	**627,871**	**79,365,724**	**1,242,873**	**2,336,743**	**113,652,433**
On disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(2,327,635)**	**(2,327,635)**
Closing balance	**-**	**150,818,360**	**5,143,039**	**6,466,550**	**446,006,777**	**16,206,680**	**26,984,925**	**651,626,331**
Written down values	**151,000,000**	**270,698,253**	**2,518,310**	**5,688,441**	**814,746,508**	**11,402,520**	**12,960,573**	**1,269,014,605**
Depreciation rates (%)	**0%**	**10%**	**15%**	**15%**	**10%**	**10%**	**15%**	
As at June 30, 2019								
Cost								
Opening balance	85,000,000	365,185,363	7,661,349	9,512,861	1,139,832,679	25,784,200	41,446,294	1,674,422,746
Additions during the year	-	51,806,700	-	430,910	11,342,433	525,000	900,000	65,005,043
Closing balance	85,000,000	416,992,063	7,661,349	9,943,771	1,151,175,112	26,309,200	42,346,294	1,739,427,789
Accumulated depreciation								
Opening balance	-	90,185,363	4,175,798	5,160,066	279,832,679	13,746,957	24,316,321	417,417,184
Charge for the year	-	30,998,183	522,833	678,613	86,808,374	1,216,850	2,659,496	122,884,349
Closing balance	-	121,183,546	4,698,631	5,838,679	366,641,053	14,963,807	26,975,817	540,301,533
Written down values	85,000,000	295,808,517	2,962,718	4,105,092	784,534,059	11,345,393	15,370,477	1,199,126,256
Depreciation rates (%)	0%	10%	15%	15%	10%	10%	15%	

* These assets are subject to hypothecation charge against short and long term loan obtained from financial institutions.

15.2 Capital work-in-progress	Note	2020	2019
		----------Rupees----------	
Balance at the beginning of the year		**46,274,437**	-
Additions during the year	15.2.1	**219,311,289**	46,274,437
Transfers during the year			
- to operating fixed assets	15.1	**(114,102,723)**	-
- to intangible asset	16	**(500,000)**	-
Balance at the end of the year		**150,983,003**	46,274,437

15.2.1 This represent advances paid in respect of acquistion of meat processing equipment.

15.3 Basis of allocation of depreciation	Note	2020	2019
		----------Rupees----------	
Cost of sales	22	**102,287,190**	110,595,914
Administrative expense	23	**11,365,243**	12,288,435
		113,652,433	122,884,349

The Company charges 90 % of total depreciation in cost of sales and 10% in administrative expense.

15.4 The Company had revalued its land, building and plant and machinery on June 30, 2018. The revaluation exercise was carried out by Oceanic Surveyors (Private) Limited, an independent valuer. The valuer was also listed on the approved panel of valuers of Pakistan Banks' Association and Leasing Association of Pakistan. The valuer had estimated the remaining life of the buildings to be 20 years. The land was revalued on the basis of current market price whereas buildings and plant and machinery were revalued using the Asset Base Valuation Method. The valuation exercise resulted in a net surplus of Rs.666.15 million as on the date of revaluation.

At the time of revaluation, forced sale value of the revalued assets were as follows:

Description of revalued asset	Amount (Rs.)
Factory land	72,250,000
Building	220,000,000
Plant and machinery	645,000,000
	937,250,000

15.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Immovable property	Total Area (In Acres)
Deh Shah Mureed, Gadap, Karachi	Factory premises	**13.215**
Deh Shah Mureed, Gadap, Karachi	Manufacturing Facility*	**5.895**

* The area of the manufacturing facility is included in the factory premises.

15.6 Had the operating fixed assets been recognized under the 'Cost Model', the carrying amount of such revalued assets would have been as follows:

	2020	2019
	----------Rupees----------	
Factory Land - Leasehold	**59,256,000**	59,256,000
Factory building on leasehold land	**160,834,099**	178,704,554
Plant and machinery	**239,783,732**	266,426,369

		2020	2019
16	**INTANGIBLE ASSET - COMPUTER SOFTWARE**	----------Rupees----------	
	Cost		
	Balance at the beginning of the year	**-**	-
	Additions / transfer during the year	**500,000**	-
	Less: Disposal	**-**	-
	Balance at the end of the year	**500,000**	-
	Accumulated amortization		
	Balance at the beginning of the year	**-**	-
	Charge for the year	**(50,000)**	-
	Less: Disposal	**-**	-
	Balance at the end of the year	**(50,000)**	-
	Written down value	**450,000**	-
	Amortization rate (%)	**20%**	-

16.1 Computer software has been capitalized effective on January 01, 2020.

			2020	2019
17	**STOCK IN TRADE**	**Note**	----------Rupees----------	
	Finished goods		**173,733,660**	106,319,991
	Livestock		**57,427,523**	76,833,180
	Work in process		**4,592,070**	14,485,530
	Packing material		**3,185,979**	3,408,527
			238,939,232	201,047,228

18	**TRADE DEBTS - UNSECURED**			
	Considered good			
	- foreign debtors	18.5	**634,296,281**	650,089,708
	- local debtors		**67,566,599**	173,772,689
			701,862,880	823,862,397
	Considered doubtful		**154,307,575**	227,313,827
	Trade receivables - gross		**856,170,455**	1,051,176,224
	Less: Provision against doubtful debt	18.7	**(154,307,575)**	(227,313,827)
	Trade receivables - net		**701,862,880**	823,862,397

18.1 The aging of export receivable balance as at the date of statement of financial position is as follows:

	Total balance	Past due but not impaired					
		<30 days	31-60 days	61-120 days	121-180 days	181-360 days	Above 1 year
	----------Rupees----------						
2020	**634,296,281**	**525,149,404**	**102,292,791**	**6,611,224**	**242,862**	**-**	**-**
2019	650,089,708	330,331,085	83,676,325	142,393,035	-	2,815,897	90,873,366

18.2 The aging of local receivable balance as at the date of statement of financial position is as follows:

	Total balance	Past due but not impaired					
		<30 days	31-60 days	61-120 days	121-180 days	181-360 days	Above 1 year
	----------Rupees----------						
2020	**67,566,599**	**13,485,330**	**12,877,760**	**13,012,970**	**9,799,320**	**18,391,219**	**-**
2019	173,772,689	41,117,030	18,147,633	10,469,274	6,887,899	97,150,853	-

18.3 The impaired export receivables as at the date of statement of financial position is as follows:

	2020	2019
	----------Rupees----------	
Less than one year	**22,189,939**	28,246,719
More than one year	**125,385,728**	182,674,303
	147,575,667	210,921,022

18.4 The impaired other receivables as at the date of statement of financial position is as follows:

	2020	2019
	----------Rupees----------	
Less than one year	**6,731,908**	16,392,805
More than one year	**-**	-
	6,731,908	16,392,805

18.5 Amount due from Muhammad Saeed Muhammad Hussain (Private) Limited, an associated company as at June 30, 2020 is Nil (2019: Rs.6.66 million) .

18.6 The aging of related party balances as at the date of statement of financial position is as follows:

	2020	2019
	----------Rupees----------	
Less than 30 days	**-**	5,314,750
31 - 180 days	**-**	1,341,629
	-	6,656,379

18.7 **Movement in Provision against doubtful debt**

Balance at the beginning of the year	**227,313,827**	216,281,651
Balances written-off	**(142,750,480)**	(10,459,083)
Less: allowance for doubtful debts		
- expected credit loss	**28,921,847**	44,639,524
- specific provisions	**40,822,381**	39,923,583
	69,744,228	84,563,107
Reversals during the year	**-**	(63,071,848)
Balance at the end of the year	**154,307,575**	227,313,827

18.8 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.10.80 million (2019: Rs.6.66 million).

		Note	2020	2019
			----------Rupees----------	
19	**LOANS, ADVANCES AND OTHER RECEIVABLES**			
	- Unsecured and considered good			
	Advance to suppliers	19.1	**189,128,299**	210,983,244
	Duty drawback	19.2	**160,919,486**	78,706,181
	Sales tax refundable		**10,473,849**	2,399,776
	Loans to employees	19.3	**1,217,635**	987,053
			361,739,269	293,076,254

19.1 Advance to suppliers

Considered good	**189,128,299**	210,983,244
Considered doubtful	**27,152,270**	27,152,270
Gross advance to suppliers	**216,280,569**	238,135,514
Less: provision against doubtful advances		
Balance at the beginning of the year	**27,152,270**	27,152,270
Charge for the year	**-**	-
Balance at the end of the year	**27,152,270**	27,152,270
	189,128,299	210,983,244

19.2 This represents an amount receivable against drawback of local taxes and levies collected from exporters of eligible products, vide S.R.O. No. 711(I)/2018 issued by the Ministry of Commerce & Textile, Commerce Division. The Company is engaged in the export of processed meat, which is an eligible product for the purpose of drawback under the aforementioned circular.

19.3 These represent interest-free welfare loans and salary advance provided to the employees in accordance with the Company's policy and have maturities up to one year.

		2020	2019
		----------Rupees----------	
20	**CASH AND BANK BALANCES**		
	Cash in hand	**27,972**	91,823
	Balances with banks - current account	**7,428,050**	5,081,449
		7,456,022	5,173,272
21	**SALES - net**		
	Export sales		
	Direct export of meat and allied products	**3,182,025,463**	2,323,284,202
	Less: Sales discount	**(44,451,658)**	-
	Duty drawback	**121,110,336**	83,040,953
		3,258,684,141	2,406,325,155
	Other sales	**125,424,560**	171,193,135
		3,384,108,701	2,577,518,290

22	COST OF SALES	Note	2020	2019
			----------Rupees----------	
	Livestock and meat cost			
	Opening stock			
	- Livestock	17	**76,833,180**	2,496,000
	- Work in process	17	**14,485,530**	47,250,000
			91,318,710	49,746,000
	Purchase of meat and allied products		**2,529,399,907**	2,020,591,144
	Closing stock			
	- Livestock	17	**(57,427,523)**	(76,833,180)
	- Work in process	17	**(4,592,070)**	(14,485,530)
			(62,019,593)	(91,318,710)
			2,558,699,024	1,979,018,434
	Conversion cost			
	Depreciation- on property, plant and equipment	15.3	**102,287,190**	110,595,914
	Cutting and deboning		**42,198,027**	10,092,208
	Salaries, wages and other benefits		**38,909,755**	28,560,643
	Packing materials consumed		**30,134,182**	31,224,140
	Fuel and power		**28,339,384**	21,100,771
	Repairs and maintenance		**10,471,976**	8,174,700
	Transportation		**2,613,759**	2,515,052
	Insurance		**2,257,514**	1,758,980
	Animal feed and other consumables		**1,716,280**	3,109,190
	Janitorial expense		**1,683,531**	1,615,700
	Printing and stationary		**1,670,545**	370,622
	Communication expense		**380,124**	504,380
			262,662,267	219,622,300
	Finished goods			
	Opening stock	17	**106,319,991**	78,211,710
	Closing stock	17	**(173,733,660)**	(106,319,991)
			(67,413,669)	(28,108,281)
	Packing material			
	Opening stock	17	**3,408,527**	2,731,847
	Closing stock	17	**(3,185,979)**	(3,408,527)
			222,548	(676,680)
			2,754,170,170	2,169,855,773

		Note	2020	2019
23	**ADMINISTRATIVE EXPENSES**		----------Rupees----------	
	Salaries, benefits and other allowances		**32,896,141**	20,616,840
	Depreciation on property, plant and equipment	15.3	**11,365,243**	12,288,435
	Legal and professional		**9,239,500**	2,684,784
	Fee and subscription		**6,441,904**	2,587,460
	Food and entertainment		**5,907,455**	5,039,356
	Repair and maintenance		**540,589**	159,350
	Vehicle running and maintenances		**227,598**	1,441,000
	Travelling		**282,200**	5,172,021
	Insurance		**220,000**	500,864
	Amortization of intangible asset	16	**50,000**	-
	Printing and stationery		**26,285**	183,969
	Miscellaneous		**-**	1,706,682
	Rent and rates		**-**	660,000
	Staff training		**-**	510,000
			67,196,915	53,550,761
24	**SELLING EXPENSES**			
	Clearing and forwarding charges		**62,727,720**	88,184,269
	Advertisement and promotion		**30,000,144**	12,120,000
	Quarantine charges		**14,787,290**	8,055,109
	Export duties		**12,809,578**	13,559,487
	Others		**148,730**	14,248,158
			120,473,462	136,167,023
25	**FINANCE COST**			
	On borrowings	25.1	**85,666,502**	69,232,739
	Bank charges		**4,413,280**	1,839,540
			90,079,782	71,072,279
25.1	**On borrowings - secured**			
	Long term			
	Habib Bank Limited		**2,679,183**	4,435,894
	Dubai Islamic Bank Pakistan Limited		**1,908,991**	1,984,946
	Al Baraka Pakistan Limited		**-**	545,317
			4,588,174	6,966,157
	Short term			
	Bank Al Baraka Pakistan Limited		**15,752,490**	10,186,332
	Soneri Bank Limited		**12,654,672**	10,480,323
	Habib Bank Limited		**19,017,590**	14,814,422
	Faysal Bank Limited		**14,389,455**	11,429,468
	Dubai Islamic Bank Pakistan Limited		**12,898,121**	9,607,918
	Bank Islami Limited		**6,366,000**	5,748,119
			81,078,328	62,266,582
			85,666,502	69,232,739

		Note	2020	2019
26	**OTHER INCOME - NET**		----------Rupees----------	
	Income/(expense) from financial assets			
	Exchange gain	26.1	**18,577,037**	218,170,675
	Reversal of provision against trade debts	18.7	**-**	63,071,847
	Balances written-off		**-**	(56,564,614)
			18,577,037	224,677,908
	Income/(expense) from non-financial assets			
	Scrap sales		**-**	353,783
	Loss on disposal of property, plant and equipment		**(513,903)**	-
			(513,903)	353,783
			18,063,134	225,031,691
26.1	**Exchange gain/(loss)**			
	Realised (loss)/gain		**(471,811)**	150,175,532
	Unrealised gain on trade debts		**19,048,848**	67,995,143
			18,577,037	218,170,675
27	**OTHER CHARGES**			
	Worker' Profit Participation Fund		**9,480,973**	13,989,122
	Donation and charity	27.2	**2,773,050**	5,680,500
	Worker's Welfare Fund		**2,645,960**	366,230
	Auditor's remuneration	27.1	**2,130,000**	1,878,097
			17,029,983	21,913,949
27.1	**Auditors' remuneration**			
	Audit fee		**1,250,000**	949,375
	Half yearly review		**481,966**	483,288
	Certifications		**80,000**	63,750
	Out of pocket expenses		**318,034**	381,684
			2,130,000	1,878,097

27.2 It includes donation made to Saylani Welfare International Trust amounting Rs. 2.6 million (2019: Rs.5.39 million). None of directors or their spouses, had any interest in the donee.

		2020	2019
28	**TAXATION**	----------Rupees----------	
	Current	**32,973,224**	33,535,400
	Prior	**(4,850,039)**	-
	Deferred	**(10,998,401)**	13,921,533
		17,124,784	47,456,933

28.1 The charge for current tax is based on Final Tax Regime (FTR) in case of exports and other sales. The other sales of the Company does not exceed five percent of total export sales.

28.2 The return of income for the tax year 2019 (financial year ended 30 June 2019) has been filed and is deemed to be an assessment order, unless selected by the taxation authorities for the purposes of audit.

28.3 Tax charge reconciliation

Company discharges its tax liability under Section 154 as full and final tax liability which requires for charge as per the provisions of Income Tax Ordinance, 2001. Therefore, reconciliaton for tax charge with respect to accounting profit is not disclosed.

29 EARNINGS PER SHARE - BASIC AND DILUTED

	2020	2019
Profit after taxation for the year - Rupees	**266,352,511**	217,970,156
Weighted average number of ordinary shares - Number	**71,817,777**	48,894,124
Earnings per share - basic and diluted - Rupees	**3.71**	4.46

29.1 There is no dilutive effect on the earnings per share of the Company.

30 CASH AND CASH EQUIVALENTS

	Note	2020	2019
		----------Rupees----------	
Short term borrowings - banking companies	13	**(513,488,211)**	(560,000,000)
Cash and bank balances	20	**7,456,022**	5,173,272
		(506,032,189)	(554,826,728)

31 FINANCIAL INSTRUMENTS BY CATEGORIES

Financial assets at amortized cost

Trade debts	18	**701,862,880**	823,862,397
Loans to employees	19	**1,217,635**	987,053
Cash and bank balances	20	**7,456,022**	5,173,272
		710,536,537	830,022,722

Financial liabilities measured at amortized cost

Long term borrowings - secured	8	**12,408,089**	51,524,945
Trade creditors	10	**28,884,417**	94,852,420
Advance from customer	10	**-**	7,254,167
Short term loan from related party - unsecured	12	**145,606,873**	158,963,239
Accrued mark-up	11	**25,454,521**	21,855,385
Short term borrowings - secured	13	**513,488,211**	560,000,000
		725,842,111	894,450,156

32 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

All non-current assets of the Company as at June 30, 2020 are located in Pakistan.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversee how management monitors compliance with the Company's risk management policies and procedures, and review the adequacy of risk management framework in relation to the risks faced by the Company. However, risk management is carried out by the Company's finance department.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

33.2 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The objective of market risk management is to manage and control market risk exposures within an acceptable range. The Company's credit facilities are floating rate credits, which exposes the Company to interest rate fluctuations. According to Company policy all financing of working capital and investment in fixed assets are made on floating rate terms. No financial instruments are used to hedge the interest level.

33.2.1 Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables that exist due to transactions in foreign currency.

The Company is exposed to currency risk arises from various currency exposure, primarily with respect to USD. Currently, the Company foreign exchange exposure is restricted to the amounts receivable from foreign customers.

The Company's exposure to foreign currency risk is as follows:

	2020		2019	
	Rupees	**USD**	Rupees	USD
Trade debts	**634,296,281**	**3,774,450**	650,089,708	3,976,956

Currently, the Company does not obtain forward cover against the gross exposure. The following significant rates applied during the year:

	2020	2019	**2020**	2019
	Average rate		As at 30 June	
US Dollar to PKR	**158.26**	136.14	**168.05**	164.00

Sensitivity analysis

At June 30, 2020, if the currency had weakened/strengthened by 1% against USD with all other variables held constant, post-tax profits for the year would have been lower/higher by Rs.6.34 million (2019: Rs. 4.63 million) mainly as a result of foreign exchange gain on translation of foreign currency denominated trade debts.

33.2.2 Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments were as follows:

	Effective interest rate		Carrying amount	
	2020	**2019**	**2020**	2019
	%	%	**----------Rupees----------**	
Variable rate instruments				
Long term borrowings - secured	**3 MK + 2% to 2.25%**	3 MK + 2% to 2.25%	**-**	4,136,029
Current maturity of long term borrowings - secured			**12,408,089**	47,388,916
Short term borrowings - secured	**3 & 6 MK + 2% to 3.5%**	3 & 6 MK + 2% to 3.5%	**513,488,211**	560,000,000

Sensitivity analysis

At June 30, 2020, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.5.26 million (2019: Rs.6.12 million) lower / higher mainly as a result of higher / (lower) interest expense on floating rate borrowings.

33.2.3 Other price risk

Price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer. The Company is not exposed to such price risk as there are no such type of financial instruments available to the Company.

33.3 Credit risk

The Company is exposed to credit risk on receivables. The Company considers the credit risk to be low, however Company's maximum credit risk is the sum of receivables recognized. Outstanding receivables are followed up upon on current basis in accordance with the Company's procedures. If it is uncertain whether a customer is able or willing to pay and the receivable is deemed doubtful, the receivable is written down.

Exposure to credit risk

Credit risk of the Company arises principally from loans and advances, trade debts, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date is as follows:

	Note	2020	2019
		------Rupees-----	
Trade debts - unsecured	18	**701,862,880**	823,862,397
Loan to employees	19	**1,217,635**	987,053
Bank balances	20	**7,428,050**	5,081,449
		710,508,565	829,930,899

To reduce the exposure to the credit risk, the management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security/advance payments, wherever considered necessary). Based on the past experience, consideration of financial position, past rack records and recoveries, the Company believes that trade debts past due do not require any impairment except as provided in the financial statements. None of the other financial assets are past due or impaired.

33.3.1 Credit quality of financial assets

The credit quality of cash at bank (in Current accounts) as per credit rating agencies is as follows:

Bank	Rating			2020	2019
	Agency	Long Term	Short Term	Rupees	
Al Baraka Bank Limited	PACRA	A	A-1	**5,133,081**	58,562
Bank AlHabib Limited	-	-	-	**873**	-
Bank Alfalah Limited	-	-	-	**76,400**	-
Habib Metropolitan Bank	PACRA	AA+	A1+	**179,869**	165,288
Faysal Bank Limited	PACRA	AA	A1+	**9,732**	74,616
Summit Bank Limited	JCR-VIS	Suspended	Suspended	**61,837**	61,831
Standard Chartered Bank	PACRA	AAA	A1+	**-**	2,025
Dubai Islamic Bank Limited	JCR-VIS	AA-	A1+	**617,077**	4,416,673
Bank of Punjab	PACRA	AA	A1+	**-**	750
Soneri Bank Limited	PACRA	AA-	A1+	**-**	13,174
Habib Bank Limited	JCR-VIS	AAA	A1+	**854,503**	56,771
Bank Islami Pakistan Limited	PACRA	A+	A1	**5,910**	231,759
National bank of Pakistan	JCR-VIS	AAA	A1+	**488,768**	-
				7,428,050	5,081,449

33.4 Liquidity risk

The Company ensures adequate cash reserves by entering into framework agreements in respect of current overdraft facilities. Existing agreement is subject to time limitation are irrecoverable on the part the banks prior to maturity unless there is a breach of the terms of the loans according to the loan agreements. In case of a breach of the terms of the agreement, the Company has a right to remediate causes of breach without undue delay and the bank is entitled to cancel the entire or part of the facility.

The Company's financial liabilities have contractual maturities as summarized below:

	Carrying Amount	Less than 6 months	6 to 12 months	1 to 3 years
As at June 30, 2020				
Long term borrowings - secured	**12,408,089**	**-**	**12,408,089**	**-**
Short term borrowings - secured	**659,095,084**	**513,488,211**	**145,606,873**	**-**
Trade creditors	**28,884,417**	**-**	**28,884,417**	**-**
Accrued markup	**25,454,521**	**25,454,521**	**-**	**-**
	725,842,111	**538,942,732**	**186,899,379**	**-**
As at June 30, 2019				
Long term borrowings - secured	51,524,945	28,616,827	18,772,089	4,136,029
Short term borrowings - secured	718,659,230	560,000,000	158,659,230	-
Trade creditors	94,852,420	-	94,852,420	-
Advance from customers	7,254,167	-	7,254,167	-
Accrued markup	21,855,385	21,855,385	-	-
	894,146,147	610,472,212	279,537,906	4,136,029

33.5 Fair value of financial instruments

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.
Level 2: Valuation techniques based on observable inputs.
Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market / quoted price in an active market and whose fair value cannot be reliablv measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the statement of financial position date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

Non-Financial Assets	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
	----------Rupees----------				
June 30, 2020					
Factory Land	**151,000,000**	**-**	**-**	**151,000,000**	**151,000,000**
Factory building	**270,698,253**	**-**	**-**	**270,698,253**	**270,698,253**
Plant and machinery	**814,746,508**	**-**	**-**	**814,746,508**	**814,746,508**
	1,236,444,761	**-**	**-**	**1,236,444,761**	**1,236,444,761**

Non-Financial Assets	Carrying value	Level 1	Level 2	Level 3	Total
	----------Rupees----------				
June 30, 2019					
Factory Land	85,000,000	-	-	85,000,000	85,000,000
Factory building	295,808,517	-	-	295,808,517	295,808,517
Plant and machinery	784,534,059	-	-	784,534,059	784,534,059
	1,165,342,576	-	-	1,165,342,576	1,165,342,576

33.6 Capital risk management

The objective of the Company's capital management is to ensure the Company's ability to continue as going concern in order to provide return on the shareholders' investments and establish and maintain an optimal captial structure for the purpose of repricing the cost of borrowed capital and maintain a basis for continuous growth in the Company. Total capital comprises of equity as reserves as shown in the statement of financial position.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, revaluation surplus on property, plant and equipment and advance against issue of shares. The gearing ratio as at June 30, is as follows:

	Note	**2020**	2019
		-------Rupees-------	
Long term borrowings - secured		**-**	4,136,029
Current maturity of long term borrowings-secured	8	**12,408,089**	47,388,916
Accrued mark-up	8	**25,454,521**	21,855,385
Short term borrowings - secured	11	**659,095,084**	718,963,239
Short term loan from related party - unsecured	8	**145,606,873**	158,963,239
Gross debt		**842,564,567**	951,306,808
Less: Cash and bank balances	20	**7,456,022**	5,173,272
Net debt		**850,020,589**	956,480,080
Total shareholder's equity		**1,887,466,324**	1,621,113,813
Equity and net debt		**2,737,486,913**	2,577,593,893
Gearing ratio		**31%**	37%

34 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits to the chief executive officer, directors and executives of the Company are as follows:

2020	**Chief Executive Officer**	**Director**	**Executives**	**Total**
	----------Rupees----------			
Managerial remuneration	**6,000,000**	**12,000,000**	**15,051,000**	**33,051,000**
Other benefits	**-**	**-**	**904,594**	**904,594**
	6,000,000	**12,000,000**	**15,955,594**	**33,955,594**
Number of person(s)	**1**	**1**	**7**	

2019	Chief Executive Officer	Director	Executives	Total
	----------Rupees----------			
Managerial remuneration	-	9,000,000	8,448,000	17,448,000
Other benefits	-	-	314,800	314,800
	-	9,000,000	8,762,800	17,762,800
Number of person(s)	1	1	3	

34.1 Executive means an employee, other than the Chief Executive Officer and the Directors, whose basic salary exceeds twelve hundred thousand Rupees in a financial year.

35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise principal shareholders and their affiliates, directors, companies with common directors, employees retirement benefit funds and key management personnel. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into, at the rates negotiated with them.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company in the normal course of business carries any transaction with various related parties.

Details of significant transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party and	**Nature of Balance / Transactions**	**2020**	**2019**
		----------Rupees----------	
Associated Companies - Common directorship			
Mohammad Saeed Mohammad Hussain	**Revenue**		
- Balance	Trade debtor	**-**	6,656,379
- Transaction	Sales	**10,798,629**	6,656,379
Ubiquity Trading Limited (formerly: Safeway Fund Limited)			
	Short term borrowing - secured		
- Transaction	- obtained	-	(100,000,000)
- Balance	- Due to associate company	**100,000,000**	100,000,000
Zultec (Private Limited)	**Capital work in progress**		
- Transaction	- Paid - net	**1,500,000**	35,021,232
- Balance	- payable	**(2,645,325)**	(95,190)
Directors	**Short term borrowing - secured**		
- Transaction	- (obtained)/repaid - net	**13,356,366**	(145,941,569)
- Balance	- Due to director	**45,606,873**	58,963,239
Key Management Personnel	**Remuneration and other benefits**		
- Transaction		**33,955,594**	17,762,800

36 NUMBER OF EMPLOYEES

	2020	2019
Total employees as at the year end	**123**	133
Average number of employees during the year	**137**	108

37 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

37.1 Listing on Pakistan Stock Exchange

The Board of Directors in its meeting held on September 08, 2018 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. Hence, the Company issued the prospectus for Initial Public Offer (IPO) of 40 million ordinary shares of Rs.10/- each at a floor price of Rs.18/- per share including share premium of Rs.8/- per share. Details regarding utilization of IPO proceeds for Offal processing plant in Korangi and Karachi Export Processing Zone (KEPZ) have been fully explained in the prospectus. Subsequent to the year end, 30 million ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rs.20/- per share. The remaining 10 million ordinary shares were offered to general public for subscription at strike price of Rs.20 per share. Ordinary shares offered to general public were fully subscribed and shares have been duly allotted to all shareholders. As on August 03, 2020, Pakistan Stock Exchange has approved the Company's application for formal listing and quotation of the shares on the Pakistan Stock Exchange.

37.2 Proposed dividend

The Board of Directors in their meeting held on September 24, 2020 have proposed for the year ended June 30, 2020, final cash dividend of Rs 2 per share i.e. 20% (2019: Nil) amounting to Rs 223,635,554 (2019: Nil), to the shareholders of the Company as of the date of book closure, for approval by the members of the Company in the Annual General Meeting to be held on October 27, 2020. These financial statements for the year ended June 30, 2020 does not include the effect of the proposed cash dividend, which will be recognized in the financial statements for the year ending on June 30, 2021.

38 IMPACT OF COVID-19

The Securities and Exchange Commission of Pakistan vide its Circular no. 26 of 2020 dated August 31, 2020 required the Companies to evaluate the impact of COVID-19 on their financial statements. The Corona Virus (COVID-19) pandemic led to an enforcement of complete lockdown in the country, as well as all export destinations of the Company. This consequently led to closure of international flights as well as border crossings which led to suspension of exports by both air and land transportation. However, the Company's exports using sea transportation to closer geographical destinations remained unaffected. As the Company was already a market leader in terms of large volume of exports of meat consignments while utilizing the ocean routes, the Company transformed the adverse impact of pandemic into its strength, and managed to convert all its existing transportation by air exports towards cheaper sea route. This strategy, largely assisted in preserving the Company's export business as well as margins and also resulted in increased exports in its current markets which were previously being catered using the air transportation, and got adversely affected due to the international flights suspension.

39 CORRESPONDING FIGURES

Figures have been reclassified and rearranged as necessary for better presentation purposes.

40 PRODUCTION CAPACITY

	2020	2019
Installed slaughtering capacity (heads)	**149,760**	149,760
Actual slaughtering capacity (heads)	**74,167**	52,695
Capacity utilization (%)	**50%**	35%

41 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 24, 2020 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER